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July 21, 2025

The Honorable Chris Wright
Secretary of Energy
United States Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585-1000

Re: Request for Emergency Order Under Federal Power Act, Section 202(c)

Dear Secretary Wright:

Pursuant to Federal Power Act ("FPA"), Section 202(c)[1] and part 205, subpart W, of the regulations of the Department of Energy ("DOE" or "Department"),[2] PJM Interconnection, L.L.C. ("PJM") respectfully requests that the Secretary of Energy ("Secretary") find that an imminent electric reliability emergency will exist that will threaten transmission reliability and the ability to serve load in the Baltimore Gas and Electric Company ("BG&E") Zone[3] in the PJM Region due to a shortage of electric energy, a shortage of facilities for the generation of electric energy, and other causes as set forth herein.

PJM specifically requests action relating to the operations of H.A. Wagner Generating Station's Unit 4 ("Wagner Unit 4") located in Anne Arundel County, Maryland.[4] PJM is authorized to state that Talen Energy Corporation ("Talen"), the owner and operator of the unit,

[1] 16 U.S.C. § 824a(c).

[2] 42 U.S.C. § § 7101 and 7151(b).

[3] PJM, Transmission Zones Served (July 18, 2025), https://www.pjm.com/-/media/DotCom/about-pjm/pjm-zones.pdf.

[4] Wagner Unit 1, Wagner Unit 3, and the Wagner CT are not at issue in this Request as they are not subject to operating limits like Wagner Unit 4.

does not oppose this request and will operate Wagner Unit 4 in accordance with an emergency order issued by the Secretary and the Settlement Agreement approved by the Federal Energy Regulatory Commission ("FERC") in Docket No. ER24-1787 on May 1, 2025.[5] Further, PJM has reviewed this request with the Maryland Department of the Environment ("MDE") which indicated, without opining on the reliability issues that give rise to this application, that it is unable to provide the short term relief sought by this application as any modifications would require amendment to the existing Maryland State Implementation Plan ("MD SIP").[6]

The Operating Limit at issue in this application provides that "at all times when operating, [Unit 4] at the H.A. Wagner generating station shall not exceed 438 hours of operation per calendar year when burning fuel oil." The Operating Limit is contained in a Consent Order entered into by Raven Power Ft. Smallwood, LLC (a subsidiary of Talen) and the MDE, and submitted to the United States Environmental Protection Agency ("EPA") on January 31, 2020 as a component of the MD SIP to attain the 1-hour Sulfur Dioxide ("SO2") National Ambient Air Quality Standards for the Anne Arundel County and Baltimore County, MD ("Wagner") Nonattainment Area.[7]

PJM will face a threat to the reliability of service to the BG&E Zone due to current environmental run-hour limitations ("Operating Limit") on Wagner Unit 4 when: (1) PJM has called or anticipates calling based on system conditions a BG&E zone or PJM-wide Maximum Generation Emergency Alert issued in accordance with the notification and dispatch procedures

[5] *H.A. Wagner LLC,* 191 FERC ¶ 61,098 (2025) ("Order on Contested Settlement").

[6] PJM is undertaking modeling work to develop a proposed MD SIP amendment that may obviate the need for future Emergency Section 202(c) Orders relating to Wagner Unit 4.

[7] The consent order is available: https://mde.maryland.gov/programs/Air/AirQualityPlanning/Documents/Current%20SIP/Sulfur%20Dioxide/Appendices%20B1%20to%20B2_ConsentOrders_wTOC.pdf.

for Wagner Unit 4 operations set for forth below; or (2) a Transmission Security Emergency that will impact the reliability of service in the BG&E Zone. These circumstances require intervention by the Secretary, in the form of an FPA Section 202(c) emergency order, to preserve the reliability of the bulk electric power system in these specified limited circumstances.

Furthermore, to the extent not otherwise covered by the above, the FPA Section 202(c) emergency order should also permit PJM to effectuate the operational scheduling and dispatch provisions agreed to by many parties and memorialized in the Settlement Agreement accepted by FERC in Docket No. ER24-1787 on May 1, 2025.[8] Specifically, Section 3.3(a) of the Settlement Agreement[9] provides that "PJM may schedule and dispatch [Wagner Unit 4] solely to address (i) an identified transmission reliability need in support of the requirement to operate such transmission facilities within established thermal, voltage and stability limits under Sections 2 and 3 of PJM Manual 3 and when such transmission reliability needs cannot otherwise be met with available economically dispatched generating resources; (ii) a PJM transmission reliability need caused by a system restoration need as described in PJM Manual 36; (iii) a capacity emergency (as described in PJM Manual 13) during which PJM determines that the resources scheduled for an operating day are not sufficient to maintain the appropriate reserve levels for PJM and (iv) any required testing[.]"

As stated herein, the Operating Limit that gives rise to the need for this Request pursuant to Section 202c applies only to Wagner Unit 4 which is a 397 MW unit within the H.A. Wagner

[8] *See* Order on Contested Settlement.

[9] A copy of this FERC-accepted agreement (Exhibit 2) is available at: https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20250127-5187&optimized=false&sid=6b7993bc-750f-4677-ab4b-f2adca682884 .

Generating Station. Moreover, as noted below, even with the grant of a Section 202(c) Order impacting the run hour limitations on Wagner Unit 4, the unit will continue to be operated in compliance with permitted emissions limits. An Order is still needed so that the specific run hour limitations on Wagner Unit 4 do not adversely impact reliability of service to the BG&E zone and PJM as a whole.

In accordance with 10 C.F.R. § 205.391(a), PJM requests that such an order be entered as soon as possible for Wagner Unit 4. Because the order impacts current environmental-related Operating Limits on the unit, it can remain effective for 90 days in accordance with FPA Section 202(c)(4)(A), subject to the Department's continued re-evaluation for potential extension consistent with applicable law. PJM requests that such order be made effective as of the date of issuance, at which time Wagner Unit 4 would be authorized upon PJM's declaration of a Maximum Generation Alert or Transmission Security Emergency to operate up to its maximum generation output level under the extremely limited reliability-based circumstances and conditions described below, notwithstanding the Operating Limit on Wagner Unit 4 specified below. PJM's proposed limitations on operations under emergency conditions and the anticipated reporting requirements for operations will ensure, to the maximum extent practicable, consistency with applicable laws and regulations including the applicable orders for Wagner Unit 4, and transparency of implementation.

As detailed below, PJM commits to continuing to take actions to minimize the need to call upon Wagner Unit 4 to operate in excess of its Operating Limit. Even so, under certain conditions these measures may not be sufficient to avoid the need to curtail firm load to ensure system reliability unless PJM has authority to dispatch Wagner Unit 4 to operate beyond its Operating

Limit under emergency conditions.[10] Because the electricity output from Wagner Unit 4, generated when operating beyond its Operating Limit, would be needed to avoid firm load shedding that may be required under certain system conditions or transmission limitations impacting the BG&E Zone and given the unit's operating parameters (including, but not limited to, its notification time and start-up time), PJM seeks this emergency order now for the upcoming 90 day period during this summer to afford PJM and the unit time to dispatch the unit and commence operations if and when needed. PJM details below that given Wagner Unit 4's Operating Limit, when the enumerated conditions are triggered or anticipated in the PJM Region in the case of a Maximum Generation Emergency Alert or in the case of a Transmission Security Emergency, continued service to load in the BG&E Zone in the PJM Region will be significantly threatened.

Absence of Rate Issues

There is also an absence of rate issues involving Wagner Unit 4, thus obviating any need for a referral to FERC. FERC already accepted a Settlement Agreement detailing the rate and cost allocation methodology to be used for the operation of Wagner Unit 4 pursuant to a Section 202(c) Order.[11] This would obviate the need for any Department referral of this matter to the FERC for proceedings on any outstanding rate issues.

In support of this application detailed below, PJM makes the following additional commitments:

[10] Operating needs for these units may vary in seasons outside of the summer months.

[11] *See* Order on Contested Settlement.

Public and Media Notifications

In addition to the established emergency procedure notifications,[12] PJM will take reasonable measures to notify the following that the DOE has issued to PJM an emergency order: (1) Maryland officials (including MDE and the Maryland Public Service Commission) (collectively, "Maryland officials"), and (2) PJM's Members. At a minimum, PJM will post and share a description of the order on its website (with a link to the order) and identify the name, municipality or other political subdivision, and zip code of Wagner Unit 4.

Reporting Notifications

PJM will provide a specific notification to the Department by email to AskCR@hq.doe.gov reporting if Wagner Unit 4 has been dispatched and operated in reliance on the emergency order that will allow the Secretary to review past actions under the emergency order during the 90-day period. Such notifications will include information on levels of exceedance of the Operating Limit.

Coordination with Wagner 4

PJM communicated to Talen, the ultimate parent company owner for Wagner Unit 4, PJM's intention to seek this emergency authorization, and PJM is authorized to state that Talen does not oppose this request and will operate Wagner Unit 4 in accordance with an emergency order issued by the Secretary and the FERC approved settlement, understanding that if Talen's compliance with the order results in noncompliance with any federal, state, or local environmental law or regulation, such action or omission shall not be considered a violation of such environmental

[12] *See, e.g.*, PJM, *Manual 13: Emergency Operations*, § 1.2 (rev. 92, Dec. 20, 2023) (note regarding Public / Media Notification Messages and draft notices contained in Attachment A to the Manual), https://www.pjm.com/-/media/documents/manuals/m13.ashx.

law or regulation in accordance with and subject to FPA, section 202(c) (2), (3) and (4), and the terms of the DOE order requested herein.[13]

I. BACKGROUND

Wagner Unit 4 is owned and operated by H.A. Wagner LLC ("Wagner"), a wholly owned subsidiary of Talen. Talen is an independent power producer. Wagner is an exempt wholesale generator ("EWG") that owns and operates an approximately 841 MW (summer rating) generation facility in Anne Arundel County, Maryland, within PJM. Wagner Unit 4 is part of a plant that consists of:

- Unit 1, an approximately 126 MW (summer rating) oil-fired generation unit commissioned in 1956;
- Unit 3, an approximately 305 MW (summer rating) oil-fired generation unit commissioned in 1966;
- Unit 4, an approximately 397 MW (summer rating) oil-fired generation unit commissioned in 1972; and
- Combustion Turbine ("CT") 1, an approximately 13 MW (summer rating) diesel-fired generation unit commissioned in 1967.

On October 16, 2023, Wagner notified PJM that it intended to retire Wagner Units 1, 3, 4, and CT 1, effective June 1, 2025. On January 4, 2024, PJM responded to Wagner's notice of proposed deactivation and stated that "the deactivation of the Wagner generating units 3 [oil-fired 305 MW capacity summer rating] and 4 [oil-fired 397 MW capacity summer rating] will adversely affect the reliability of the PJM Transmission System absent upgrades to the Transmission system."[14]

[13] Information supporting this request is provided in part by Talen.

[14] PJM's Response to Talen's Oct. 16, 2023 Letter (Jan. 4, 2024).

Only Wagner Unit 4 is relevant to this emergency authorization request because of the operating limit ("Operating Limit") applied to Wagner Unit 4 under the terms of the MD SIP. Because Wagner Unit 4 is in a nonattainment area under the 1-Hour SO2 National Ambient Air Quality Standard ("NAAQS") ("SO2 Nonattainment Area") pursuant to the EPA designations, the MD SIP was submitted by the MDE to the EPA to reduce SO2 emissions such that the ambient SO2 levels in the SO2 Nonattainment Area will not exceed the 1-Hour SO2 NAAQS. As a result, on December 4, 2019, the MDE issued a consent order implementing the Operating Limit which required as pertinent to this application the following:

> Beginning January 1, 2021, at all times when operating, Unit W4 at the H.A. Wagner generating station shall not exceed 438 hours of operation per calendar year when burning fuel oil.[15]

Due to the Operating Limit for Wagner Unit 4's 2025 calendar year operations and PJM's dispatch and testing of Wagner Unit 4 in 2025 to date, as of the date of filing this application, there are approximately 80 fuel oil burning hours remaining to operate Wagner Unit 4 before exceeding its Operating Limit – or only approximately 4 days of operations.[16]

PJM's operations in 2025 continue to rely upon Wagner Unit 4 at a rate that exceeds the 2024 rate. There were, for example, 11 instances where Wagner Unit 4 ran in January to support high loads, including the new all-time PJM winter peak. PJM also ran the unit once in early June and ran the unit again for 100 hours over the 5 day extreme heat event during the week of June 23, 2025. As noted above, there are only approximately 80 fuel oil burning hours remaining to operate

[15] *See* n.4, *supra*.

[16] Per the Settlement Agreement accepted by the Federal Energy Regulatory Commission in Docket No. ER24-1787, Wagner Unit 4 has a minimum down time of 24 hours, a minimum run time of 24 hours, only one maximum daily start, and only 3 maximum weekly starts.

Wagner Unit 4 before exceeding its Operating Limit – or less than 4 days of operations. For the remainder of 2025, PJM anticipates the continued need to schedule Wagner Unit 4 in order to maintain reliable system operations during projected peak demand (in the case of declared or anticipated Maximum Generation Emergency Alerts) and/or increased flows on transmission facilities that are required to serve the BG&E Zone (in the case of Transmission Security Emergencies). Indeed, if another heatwave like the late June heatwave were to reoccur, there are insufficient run hours remaining because of the Operating Limit on Wagner Unit 4.

Additional circumstances that could cause the need for increased scheduling of Wagner Unit 4 include high system demand, additional transmission facility outages, and generation outages or a combination of these factors.

II. RELIEF REQUESTED

PJM seeks authorization to direct Wagner Unit 4 to operate consistent with PJM's Governing Agreements, Good Utility Practice, the Settlement Agreement accepted by the Federal Energy Regulatory Commission in Docket No. ER24-1787, and beyond its Operating Limit in compliance with the dispatch methodology set forth herein and only in those instances where PJM has:

- Declared or anticipates declaring based on system conditions a Maximum Generation Emergency Alert[17]; or
- Has declared or anticipates declaring based on system conditions a Transmission Security Emergency[18] impacting the reliability of transmission facilities that are required to serve the load in the BG&E Zone, or to prevent potential load shed due to transmission limitations; or

[17] PJM, *Manual 13: Emergency Operations*, § 2 (rev. 92, Dec. 20, 2023), https://www.pjm.com/-/media/documents/manuals/m13.ashx.

[18] *Id.* at § 5.

- To the extent not otherwise covered by the above, schedules and dispatches Wagner Unit 4 in a manner consistent with the Settlement Agreement accepted by the Federal Energy Regulatory Commission in Docket No. ER24-1787. Specifically, Section 3.3(a) of the Settlement Agreement provides that "PJM may schedule and dispatch [Wagner Unit 4] solely to address (i) an identified transmission reliability need in support of the requirement to operate such transmission facilities within established thermal, voltage and stability limits under Sections 2 and 3 of PJM Manual 3 and when such transmission reliability needs cannot otherwise be met with available economically dispatched generating resources; (ii) a PJM transmission reliability need caused by a system restoration need as described in PJM Manual 36; (iii) a capacity emergency (as described in PJM Manual 13) during which PJM determines that the resources scheduled for an operating day are not sufficient to maintain the appropriate reserve levels for PJM and (iv) any required testing[.]"

As of the date of this filing, PJM estimates that there are only 80 hours of run time remaining (which is only 4 starts remaining for Wagner Unit 4 in 2025, if it is dispatched for its minimum run time each time) before Wagner Unit 4 would operate beyond its Operating Limit for the rest of the year 2025. It is reasonable to expect that Wagner Unit 4 could exceed its Operating Limit during periods when PJM would need to dispatch the unit. It is anticipated that PJM will need to dispatch Wagner Unit 4 when forecast temperatures are high, by way of example, around 92 degrees in the Mid-Atlantic region and forecast loads in PJM are around 151,000 MW. Moreover, during peak load conditions with no transmission outage, limited emergency authorization is needed to operate Wagner Unit 4 at load levels above approximately 6,200 MW in the BG&E Zone to avoid impacting electric reliability and loss of electric service in the PJM Region or the BG&E Zone, depending upon the circumstances. Absent such an order, in the limited circumstances when PJM is in emergency procedures as described herein, residences, hospitals, military facilities, water treatment plants, and other critical facilities may lose electric service to all or parts of their facilities due to the lack of adequate generation or transmission emergencies.

This request is narrowly tailored to allow only the dispatch of Wagner Unit 4 as necessary to ensure reliability during the limited timeframe and subject to the limited triggering conditions described in this application. Limiting the requested order for Wagner Unit 4 to situations involving a Maximum Generation Emergency Alert or Transmission Security Emergency that are required to serve the load in the BG&E Zone (or as otherwise permitted by the Settlement Agreement) will ensure that Wagner Unit 4 will be dispatched under select circumstances.

Mitigation Measures

While PJM has identified the desire to modify the Operating Limit for Wagner Unit 4, the MDE and the EPA Regional office have informed PJM that the process to modify a condition of the MD SIP is a lengthy process that will not result in any relief in 2025. Thus, PJM will continue to employ other efforts to mitigate the need to dispatch Wagner Unit 4 to avoid reaching its 2025 Operating Limit, unless needed to protect system reliability. In the interim before any SIP modifications can be considered, PJM is taking the following steps to limit use of Wagner Unit 4:

- PJM has updated operating procedures[19] for committing generation in the BG&E Zone to take into account unit limitations and environmental permit limits. Under these procedures, generation resources, including Wagner Unit 4, that are limited by environmental restrictions shall be utilized to maintain single contingency (N-1) reliability. This procedure excludes environmentally limited generation facilities in the BG&E Zone from being dispatched for Double Contingency (N-2), i.e. lower probability outage of 2 separate single contingencies.

- PJM will continue to closely coordinate necessary generator and transmission outages at appropriate forecasted load levels to minimize the need to run Wagner Unit 4 to mitigate transmission limitations impacting the BG&E Zone that could result in firm load shed.

[19] *See* PJM's Emergency Procedures, https://www.pjm.com/-/media/about-pjm/newsroom/fact-sheets/pjms-emergency-procedures-and-messages.ashx; *see also* PJM's Emergency Procedures Tool, https://emergencyprocedures.pjm.com/ep/pages/messagedefinitions.jsf.

- PJM notification and dispatch procedures for Wagner Unit 4 operations under a DOE emergency order will serve to minimize use of Wagner Unit 4, and are as follows:

    - PJM will issue a Maximum Generation Emergency (Energy Emergency Alert ("EEA") Level 1) Alert the day before the unit is scheduled for capacity emergencies, and/or a localized Maximum Generation Emergency Alert for Transmission Security the day before the unit is scheduled for transmission reliability;
    - PJM will notify Wagner Unit 4 that it is scheduled for or anticipating a Maximum Generation Emergency Alert and/or Transmission Security Emergency, while honoring the unit's operating parameters (including, but not limited to, notification time, start-up time, minimum run time, ramp capability, minimum down time[20]) and ensuring that Wagner Unit 4 is on-line and stable at minimum possible output but ready to be dispatched at higher levels to mitigate emergency conditions;
    - In the operating day, PJM will call effective Maximum Generation Emergency units and may call Load Management (Demand Response);
    - PJM will release Wagner Unit 4 once the emergency condition ceases to exist, or the unit can safely shut down based upon operating parameters (including, but not limited to, notification time, start-up time, minimum run time, ramp capability, minimum down time) and system conditions; and
    - PJM will cancel any Load Management and release effective Maximum Generation Emergency units once the emergency condition ceases to exist.

PJM makes the following commitments:

- Once PJM declares that the event has ended and the Maximum Generation Emergency Alert is discontinued, Wagner Unit 4 would be required to cease operations in a manner consistent with its operating parameters above its Operating Limit because emergency conditions cease to exist. For example, during extreme cold weather system peak loads may occur both in the morning and evening. If subject to a Section 202(c) Order in the winter period, releasing Wagner 4 between the morning and evening peaks would adversely impact system reliability if the unit were unable to return for the evening peak.

- Once PJM declares that the Transmission Security Emergency impacting the BG&E Zone has ended, Wagner Unit 4 would be required to cease operations above its Operating Limit in a manner consistent with its operating parameters.

[20] Per the Settlement Agreement accepted by the Federal Energy Regulatory Commission in Docket No. ER24-1787, Wagner Unit 4 has a minimum down time of 24 hours, a minimum run time of 24 hours, only one maximum daily start, and only 3 maximum weekly starts.

PJM does not lightly request this authorization. It understands the importance of the Operating Limit that is at issue. However, authorizing Wagner Unit 4 to operate, notwithstanding its Operating Limit, under these limited, reliability-based conditions after exhausting reasonably and practically available resources will address what otherwise would be emergency conditions that threaten the provision of reliable electric service until the end of 2025 to the residents and businesses in the BG&E Zone and potentially the greater PJM Region.

III. LEGAL BASIS FOR PETITION

Under FPA Section 202(c) the Secretary is empowered "whenever [his] determines that an emergency exists by reason of a sudden increase in the demand for electric energy, or a shortage of electric energy or of facilities for the generation or transmission of electric energy, or of fuel or water for generating facilities, or other causes, … to require by order such temporary connections of facilities and such generation, delivery, interchange, or transmission of electric energy as in [his] judgment will best meet the emergency and serve the public interest."[21]

PJM respectfully submits the information above satisfies the requirements of FPA Section 202(c) (1), (2), (3) and (4) and the procedures in the DOE's regulations, 16 C.F.R. § 205.373 ("Application Procedures"). Attached hereto as an Appendix is additional information that may be required by the Application Procedures for this emergency relief application.

[21] In 2016, Congress passed the FAST Act which clarified the breadth of the statute; indicated that the Secretary's emergency actions can include temporarily suspending operation of specific environmental regulations to the extent application of those regulations was causing or contributing to the emergency; and clarified that the Secretary can act without public notice or the requirements of a formal notice and comment period.

IV. CONCLUSION

PJM greatly appreciates the Department's expedited consideration of this request.

Respectfully submitted,

/s/ Michael E. Bryson
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